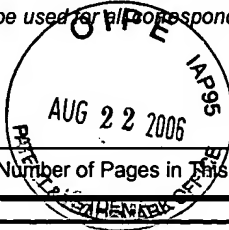


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**TRANSMITTAL  
FORM**

(to be used for all correspondence after initial filing)



Application Number	10/648,599
Filing Date	August 25, 2003
First Named Inventor	Bhavesh Mehta, et al.
Group Art Unit	3622
Examiner Name	Jeffrey D. Carlson
Attorney Docket Number	50269-0558

Total Number of Pages in This Submission

32

**ENCLOSURES (check all that apply)**

<input checked="" type="checkbox"/> Fee Transmittal Form <input checked="" type="checkbox"/> Fee Attached <input type="checkbox"/> Amendment / Response <input type="checkbox"/> After Final <input type="checkbox"/> Affidavits/declaration(s) <input type="checkbox"/> Extension of Time Request <input type="checkbox"/> Express Abandonment Request <input type="checkbox"/> Information Disclosure Statement <input type="checkbox"/> Certified Copy of Priority Document(s)  <input type="checkbox"/> Response to Missing Parts/Incomplete Application <input type="checkbox"/> Response to Missing Parts under 37 CFR 1.52 or 1.53	<input type="checkbox"/> Assignment Papers (for an Application) <input type="checkbox"/> Drawing(s) <input type="checkbox"/> Licensing-related Papers <input type="checkbox"/> Petition <input type="checkbox"/> Petition To Convert To a Provisional Application <input type="checkbox"/> Power of Attorney, Revocation <input type="checkbox"/> Change of Correspondence Address <input type="checkbox"/> Terminal Disclaimer <input type="checkbox"/> Request for Refund <input type="checkbox"/> CD, number of CD(s) _____	<input type="checkbox"/> After Allowance Communication to Group <input type="checkbox"/> Appeal Communication to Board of Appeals and Interferences <input checked="" type="checkbox"/> Appeal Communication to Group (Appeal Notice, Brief, Reply Brief) <input type="checkbox"/> Proprietary Information <input type="checkbox"/> Status Letter <input checked="" type="checkbox"/> Other Enclosure(s) (please identify below): <div style="border: 1px solid black; padding: 2px;">Return Postcard</div> <div style="border: 1px solid black; height: 20px; margin-top: 5px;"></div> <div style="border: 1px solid black; height: 20px; margin-top: 5px;"></div>
<div style="border: 1px solid black; padding: 5px;">Remarks</div>		

**SIGNATURE OF APPLICANT, ATTORNEY, OR AGENT**

Firm or Individual name	Hickman Palermo Truong & Becker LLP Christopher J. Brokaw, Reg. No. 45,620
Signature	
Date	August 18, 2006

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I hereby certify that this correspondence is being deposited with the United States Postal Service "Express Mail Post Office to Addressee" service under 37 CFR 1.10 on the date indicated above and is addressed to: Mail Stop Appeal Brief-Patents, Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450 on this date:

Type or printed name	Angelica Maloney	Date	August 18, 2006
Signature			

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# FEE TRANSMITTAL for FY 2006

Patent fees are subject to annual revision,  
Small Entity payments must be supported by a small entity statement,  
otherwise large entity fees must be paid. See Forms PTO/SB/09-12.  
See 37 C.F.R. §§ 1.27 AND 1.28

TOTAL AMOUNT OF PAYMENT (\$)**500.00**

## Complete if Known

Application Number 10/648,599  
Filing Date August 25, 2003  
First Named Inventor Bhavesh Mehta  
Examiner Name Jeffrey D. Carlson  
Group/Art Unit 3622  
Attorney Docket No. 50269-0558

## METHOD OF PAYMENT (check one)

1. ☒ Throughout the pendency of this application, please charge any additional fees, including any required extension of time fees, and credit all overpayments to deposit account 50-1302. A duplicate of this sheet is enclosed.

Deposit Account Number 50-1302

Deposit Account Name Hickman Palermo Truong & Becker, LLP

2. ☒ Payment Enclosed:  
☒ Check ☐ Money Order ☐ Other

3. ☐ Applicant(s) is entitled to small entity status.  
See 37 CFR 1.27.

## FEE CALCULATION

### 1. BASIC FILING FEE

Large Entity Fee Code	Large Entity Fee (\$)	Small Entity Fee Code	Small Entity Fee (\$)	Fee Description	Fee Paid
1011	300	2011	150	Utility filing fee	
1111	500	2111	250	Utility Search fee	
1311	200	2311	100	Utility Examination fee	
1081	250	2081	125	Utility Application Size Fee	
1005	200	2005	100	Provisional Application Fee	
1085	250	20835	125	Provisional Application Size Fee	
SUBTOTAL (1)					(\$) <b>0.00</b>

### 2. EXTRA CLAIM FEES

	Highest Paid Claims	Extra Claims	Fee from Below	Fee Paid
Total Claims	-20**=	0	50.00	= 0.00
Independent Claims	-3**=	0	200.00	= 0.00
Multiple Dependent				=

\*\*or number previously paid, if greater; For Reissues, see below

Large Entity Fee Code	Large Entity Fee (\$)	Small Entity Fee Code	Small Entity Fee (\$)	Fee Description
1202	50	2202	25	Claims in excess of 20
1201	200	2201	100	Independent claims in excess of 3
1203	360	2203	180	Multiple dependent claim, if not paid
1204	200	2204	100	**Reissue independent claims over original patent
1205	50	2205	25	**Reissue claims in excess of 20 and over original patent

SUBTOTAL (2) (\$)**0.00**

### 3. ADDITIONAL FEES

Large Entity Fee Code	Large Entity Fee (\$)	Small Entity Fee Code	Small Entity Fee (\$)	Fee Description	Fee Paid
1051	130	2051	65	Surcharge - late filing fee or oath	
1052	50	2052	25	Surcharge - late provisional filing fee or cover sheet.	
1251	120	2251	60	Extension for reply within first month	
1252	450	2252	225	Extension for reply within second month	
1253	1,020	2253	510	Extension for reply within third month	
1254	1,590	2254	795	Extension for reply within fourth month	
1255	2,160	2255	1,080	Extension for reply within fifth month	
1401	500	2401	250	Notice of Appeal	
1402	500	2402	250	Filing a brief in support of an appeal	\$600.00
1452	500	2452	250	Petition to revive - unavoidable	
1453	1,500	2453	750	Petition to revive - unintentional	
1501	1,400	2501	700	Utility issue fee (or reissue)	
1502	800	2502	400	Design issue fee	
1504	300	2504	300	Publication Fee	
1462	400	1462	400	Petitions Director not specifically provided for Group I	
1463	200	1463	200	Petitions Director not specifically provided for Group II	
1464	130	1464	130	Petitions Director not specifically provided for Group III	
1806	180	1806	180	Submission of information Disclosure Stmt	
8021	40	8021	40	Recording each patent assignment per property (times number of properties)	
1809	790	2809	395	Filing a submission after final rejection (37 CFR § 1.129(a))	
1810	790	2810	395	For each additional invention to be examined (37 CFR § 1.129(b))	
Other fee (specify)					
Other fee (specify)					

\*Reduced by Basic Filing Fee Paid

SUBTOTAL (3) (\$)**500.00**

## SUBMITTED BY

Name (Print/Type) Christopher J. Brokaw Registration No. (Attorney/Agent) 45,620 Telephone (408) 414-1225  
Signature [Signature] Date 8/18/2006

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**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE**

In re application of:

Bhavesht Mehta, et al.

Serial No.: 10/648,599

Filed on: August 25, 2003

For: SELECTING AMONG ADVERTISEMENTS COMPETING FOR A SLOT  
ASSOCIATED WITH ELECTRONIC CONTENT DELIVERED OVER A  
NETWORK

Confirmation No.: 4272

Group Art Unit No.: 3622

Examiner: Jeffrey D. Carlson

**Mail Stop Appeal Briefs-Patents**  
Commissioner for Patents  
P. O. Box 1450  
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**APPEAL BRIEF**

Sir:

This Appeal Brief is submitted in support of the Notice of Appeal filed April 28,  
2006.

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**REAL PARTY IN INTEREST**

Oracle International Corporation is the real party in interest.

### **RELATED APPEALS AND INTERFERENCES**

Appellants are unaware of any related appeals and interferences.

### **STATUS OF CLAIMS**

Claims 1 and 3-10 are pending in the application.

Claims 1 and 3-10 have been rejected under 35 U.S.C. § 101 because allegedly they do not set forth a useful result.

Claims 1 and 3-10 have been rejected under 35 U.S.C. § 103(a) for allegedly being anticipated over U.S. Patent Application 2002/0128904 issued to Carruthers et al. (“Carruthers”).

It is from this final rejection of Claims 1 and 3-10 that this Appeal is taken.

**STATUS OF AMENDMENTS**

The Claims have not been amended after the Final Office Action.



## **SUMMARY OF CLAIMED SUBJECT MATTER**

Independent Claim 1 is directed towards an approach for determining which advertisements to include with electronic content delivered to users over a network. According to the approach of Claim 1, sequence information that indicates a sequence for a plurality of advertisements is stored. Each of the plurality of advertisements is associated with corresponding delivery criteria. Each advertisement of the plurality of advertisements has a corresponding delivery obligation. The relative position of advertisements in the sequence for the plurality of advertisements corresponds to when the corresponding delivery obligation for the advertisement was incurred (See Abstract, paragraphs 22-23).

A request to provide, over the network, a piece of electronic content that includes a slot for an advertisement is received (See step 102 of FIG. 1 and paragraph 27).

Slot attributes of the slot are compared with delivery criteria of the advertisements to determine a subset of the plurality of advertisements that qualify for inclusion in the slot (See step 104 of FIG. 1 and paragraph 27).

An advertisement is selected, from the subset of advertisements, to include in the slot based, at least in part, on relative positions, within the sequence, of the advertisements in the subset of the plurality of advertisements (See steps 108, 112, 114 116, and 120 of FIG. 1 and paragraphs 29-32).

**GROUND OF REJECTION TO BE REVIEWED ON APPEAL**

Whether Claims 1 and 3-10 have been properly rejected under 35 U.S.C. § 101 for allegedly failing to recite a useful result.

Whether Claims 1 and 3-10 have been properly rejected under 35 U.S.C. § 103(a) for allegedly being anticipated by *Carruthers*.

## **ARGUMENTS**

### **I. EACH OF CLAIMS 1 AND 3-10 ARE IN CONFORMANCE WITH 35 U.S.C. § 101 AS EACH CLAIM RECITES A USEFUL RESULT**

#### **A. THE UTILITY REQUIREMENT OF 35 U.S.C. § 101**

Claims 1 and 3-10 were rejected under 35 U.S.C. § 101 because allegedly they do not set forth a useful result. The Office Action states:

because claim 1 does not necessarily require the instructions to be executed, the claim is not taken to positively set forth a useful result. Mere sending, receiving and/or storing of these instructions does not accomplish a useful result. In this case, execution of the claimed instructions would however set forth a useful, concrete and tangible result.

This basis for this rejection is generally referred to as the “utility requirement” of 35 U.S.C. § 101. With respect to the “utility” requirement of 35 U.S.C. § 101, Chisum states that an invention must “meet three tests. First, it must be operable and capable of use. It must operate to perform the functions and secure the result intended. Second, it must achieve some minimum human purpose. Third, it must achieve a human purpose that is not illegal, immoral or contrary to public policy.”

#### **B. THE CLAIMS SATISFY THE UTILITY REQUIREMENT OF 35 U.S.C. § 101**

This rejection appears to be based on the assertion that the invention recited in Claim 1 does not satisfy the second of the three tests. Namely, that sending, receiving and/or storing of the instructions described in Claim 1 does not “achieve some minimum human purpose”.

While questioning the utility of “sending, receiving and/or storing of the instructions described in Claim 1,” the Office Action acknowledges that execution of the claimed instructions would accomplish a useful, concrete and tangible result. This acknowledgement, while correct, is in direct contradiction to the assertion that sending, receiving and/or storing the instructions does not achieve some minimum human purpose.

**C.     SENDING/RECEIVING INSTRUCTIONS ACCOMPLISHES THE  
USEFUL RESULT OF ENABLING THE RECIPIENT TO EXECUTE  
THE INSTRUCTIONS AND THEREBY PERFORM THE CLAIMED  
OPERATIONS**

Anyone skilled in the art would know that obtaining the claimed instructions is a prerequisite of executing the claimed instructions. A computing device cannot execute instructions that it does not possess. Thus, in order to execute instructions, an entity must first obtain the instructions. An entity may obtain instructions by receiving the instructions from another entity that is sending the instructions.

Logic dictates that it must be useful to perform an operation that is a prerequisite to achieving a useful result. Executing the instructions achieves a useful result, sending/receiving the instructions are a prerequisite to executing the instructions.

By a first entity sending the claimed instructions to a second entity, the first entity is enabling the second entity to subsequently execute the claimed instructions. In this way, sending and receiving the claimed instructions are useful because these acts enable an entity to execute the claimed instructions, which is acknowledged to be useful.

**D. THE REAL WORLD CONFIRMS THAT SENDING/RECEIVING INSTRUCTIONS ACCOMPLISHES A USEFUL RESULT**

The usefulness of enabling a computing device to execute instructions by sending/receiving instructions to the computing device is not merely theoretical. In the real world, tens of thousands (or hundreds of thousands) of people pay for the ability to download software. They are willing to pay for such downloads because they consider it important to enable their computers to execute the software they are downloading. Note that they are not paying for the execution of the instructions (although that is usually their ultimate intent) but for the transmission (sending/receiving) of the instructions from one computing device to another.

**E. SENDING/RECEIVING INSTRUCTIONS IS USEFUL FOR THE SAME REASON THAT THE SUBJECT MATTER OF A “BEAUREGARD CLAIM” IS USEFUL**

The patentability of claims to “computer-readable media” that store instructions for performing an inventive process has long been recognized. Such claims, often referred to as CRM claims or “Beauregard claims,” are directed to the media that stores such instructions, and not to the execution of the instructions. The utility of the subject matter of such claims hinges on the fact that access to such media enables a computer system to perform an inventive process.

Thus, sending/receiving instructions, and computer-readable media that store instructions, are both useful for the same reason. Namely, both are useful because they enable a computing device to ultimately execute the instructions. It would be logically

inconsistent to hold sending/receiving computer instructions to lack utility, while recognizing the utility of computer-readable media.

**F.      STORING INSTRUCTIONS ON A COMPUTER-READABLE  
MEDIUM ACCOMPLISHES A USEFUL RESULT**

As mentioned above, the patentability of claims to “computer-readable media” that store instructions for performing an inventive process has long been recognized. If such media are considered useful, then how can creating such media not be useful? Specifically, computer-readable media that store instructions for performing an inventive process are created by the act of storing instructions on a computer-readable media. It simply does not make any sense to say that X is useful, but making X is not useful.

Further, all of the reasons give above relative to sending/receiving also apply to “storing.” Storing instructions (whether it be on disk, in volatile memory, or on punch cards) is a prerequisite to executing the instructions. Therefore, storing instructions accomplishes the very useful result of creating a computer-readable medium that can be read by a computing device to allow the computing device to execute the instructions.

**G.      ACKNOWLEDGING THE UTILITY OF CLAIMS 1 AND 3-10  
WOULD BE GOOD POLICY**

The utility of sending/receiving/storing of instructions for performing an inventive process has been explained above. Thus, from technical, legal, and practical perspectives, Claims 1 and 3-10 satisfy the utility requirement. In addition, it would simply be good policy for the U.S. Patent and Trademark Office to acknowledging that claims having the format of Claims 1 and 3-10 satisfy the utility requirement.

Acknowledging the utility of claims having the format of Claims 1 and 3-10 would be good policy because numerous patent applications having that exact format have been or will soon be issued by the Patent Office. To allow the format in some cases, while rejecting it in others, produces uncertainty and inconsistency that serves neither the PTO, the applicants, nor the public.

Acknowledging the utility of claims having the format of Claims 1 and 3-10 would also be good policy because the format of Claims 1 and 3-10 reduces “claim form proliferation.” Claim form proliferation refers to the practice of filing multiple sets of virtually identical claims, where the claims only differ in form. For example, in a typical case involving software inventions, it is not uncommon for there to be method claims, CRM claims, apparatus claims and system claims, all of which have different preambles but identical limitations. This practice is wasteful, both of the PTO’s time and the Applicant’s time and money. The format of Claims 1 and 3-10 attempts to reduce the number of claim types required to effectively protect a software-type invention. Claim formats aimed at reducing the need for redundant claim sets should be encouraged, rather than discouraged, by the Patent Office.

For all of the reasons specified above, it is respectfully requested that the rejection of Claims 1 and 3-10 under 35 U.S.C. § 101 be withdrawn.

## **II. EACH OF CLAIMS 1 AND 3-10 ARE PATENTABLE OVER CARRUTHERS**

Claims 1 and 3-10 are rejected under 35 U.S.C. § 103(a) for allegedly being obvious in view of *Carruthers*. However, each pending claim features one or more elements that are not disclosed, taught, or suggested by *Carruthers*.

**A. CLAIM 1 IS PATENTABLE OVER CARRUTHERS**

Claim 1 recites,

A method for determining which advertisements to include with electronic content delivered to users over a network, wherein the method comprises performing a machine-executed operation involving instructions, wherein the machine-executed operation is at least one of:

- A) sending said instructions over transmission media;
- B) receiving said instructions over transmission media;
- C) storing said instructions onto a machine-readable storage medium; and
- D) executing the instructions;

wherein said instructions are instructions which, when executed by one or more processors, cause the one or more processors to perform the steps of:

**storing sequence information that indicates a sequence for a plurality of advertisements, wherein each of said plurality of advertisements is associated with corresponding delivery criteria;**

receiving a request to provide over said network a piece of electronic content that includes a slot for an advertisement;

comparing slot attributes of said slot with delivery criteria of said advertisements to determine a subset of said plurality of advertisements which qualify for inclusion in said slot; and

**from said subset of advertisements, selecting an advertisement to include in the slot based, at least in part, on relative positions, within said sequence, of the advertisements in said subset,**

**wherein each advertisement of said plurality of advertisements has a corresponding delivery obligation, and**

**wherein the relative position of advertisements in said sequence corresponds to when the corresponding delivery obligation was incurred. (emphasis added)**

At least the above-bolded elements of Claim 1 are not disclosed, taught, or suggested by *Carruthers*.

Applicants concede that at a high level, both the pending claims and *Carruthers* are directed towards placing advertisements in requested content. It is also acknowledged that the axiom of “know thy audience” was well recognized by advertisers, who were more likely



to advertise beer during a football game than during a Saturday morning cartoon, and likewise were more likely to advertise a children's toy during a Saturday morning cartoon than during a football game. However, beyond these sparse generalities, there is little in common between the pending claims and the approach of *Carruthers*.

### **The approach of Claim 1**

The approach of Claim 1 is directed towards the process of selecting which advertisements to include in content. The approach of Claim 1 features numerous advantages over prior approaches. For example, as explained in the Applicants' specification (See pages 1-6), a prior approach, entitled **the most-behind-first approach**, for selecting which advertisements to include in content may lead to perceived or actual unfairness since an advertiser could contract for a higher delivery obligation than the advertiser actually desires. In such a case, an advertiser who contracts for a higher delivery obligation than the advertiser actually desires may cause advertisements of advertisers who contracted earlier, but with more realistic delivery obligations, to cease to be selected for inclusion within content.

Advantageously, the approach of Claim 1 overcomes this disadvantage, as well as other disadvantages, by storing sequence information that indicates a sequence for a plurality of advertisements. The sequence corresponds to the relative times at which the provider incurred the delivery obligations associated with the advertisements. After the sequence has been established, the position of advertisements within the sequence is used as one of the factors for determining which advertisement to place in a slot, where advertisements nearer the beginning of the sequence (advertisements with earlier-incurred delivery obligations) are favored over advertisements that are nearer the end of the sequence (advertisements with later-incurred delivery obligations).

### **What Carruthers teaches**

*Carruthers* teaches a system where Capacity Forecaster 52 is used to determine a probable or expected supply of screen real estate on user client devices. Capacity Forecaster 52 may thus be used when a new contract with an advertiser is under consideration by a deliverer of advertisements. If an adequate supply of screen real estate is expected for the proposed advertising campaign, the contract is accepted. If an adequate supply of screen real estate is not expected for the proposed advertising campaign, the advertiser is given an opportunity to relax his or her proposed contractual constraints, thereby making it more likely that Capacity Forecaster 52 will subsequently indicate that an adequate supply of screen real estate is expected for the revised advertising campaign. Capacity Forecaster 52 is only used to determine whether to accept a proposal for an advertising campaign; Capacity Forecaster 52 is not used to determine a sequence in which advertisements should be delivered to viewers (See paragraph 28-30).

Once a contract for an advertising campaign is accepted by a deliverer of advertisements, Inventory Manager 54 generates a master list of scheduled advertisements based on calculated goals of each active advertising campaign (paragraph 34). Delivery Manager 54 may reorder or reprioritize the master list of scheduled advertisements based on whether daily goals are met (paragraph 35). Delivery Manager 54 delivers the master list of scheduled advertisements, and the advertisements themselves, to an On-Demand Scheduler 70 residing at each ISP POP server (paragraphs 34-37). On-Demand Scheduler 70 determines which advertisements a subscriber is eligible to receive and delivers advertisements in accordance with the master list of scheduled advertisements generated by the Delivery Manager 54 (paragraph 39).

*Carruthers* discloses that the order in which advertisements should be sent to subscribers should be “based preferably both upon priority and some weighting mechanism that indicates how many impressions are needed by each campaign (paragraph 34, lines 8-10). Importantly, *Carruthers* makes clear that the order in which advertisements are to be displayed is not based on when a delivery obligation was incurred. In sharp contrast, the prioritized master list of scheduled advertisements is based on the calculated goals of each of the active advertising campaigns (see paragraph 34). After the Inventory Manager of *Carruthers* generates the prioritized master list of scheduled advertisements based on the goals of each of the active advertising campaigns, the prioritized master list may be reordered based upon whether daily goals are met. For example, paragraph 35 of *Carruthers* states:

The Delivery Manager 54 can reorder or reprioritize the master list of scheduled advertisements based upon delivery feedback data and queuing logic/algorithms. For example, if the goal for a given campaign is to evenly distribute an advertisement over the course of the campaign length, the advertisements can be moved down in the queue of advertisements to be displayed if it gets ahead of its daily goals. Similarly, if an advertisement gets behind in meeting its goals, it may be automatically promoted in priority. If an advertisement exceeds its daily goals it can be effectively shut off by being placed at the very end of the queue. (emphasis added)

Thus, if a particular advertisement is behind in its daily goals, it will be promoted in priority (see paragraph 54, underlined portion of quoted above) regardless of when the delivery obligation was incurred. As a result, *Carruthers* is an example of a most-behind-first approach, as discussed in the Applicants’ background. Such an approach suffers from the same disadvantages discussed in Applicants’ background. For example, paragraphs 15-16 of the Applicants’ background state:

One way of using a behindness measure to select the advertisements that are competing for a slot involves always selecting the qualifying advertisement with the highest behindness value. By selecting the qualifying advertisement

with the highest behindness value, the provider ensures that approximately the same percentage of every order is satisfied during a shortfall situation.

Unfortunately, the most-behind-first approach has some significant disadvantages that may lead to perceived or actual unfairness. For example, an advertiser may be interested in advertising in slots that are already subject to several pre-existing obligations. If the advertiser becomes aware of the pre-existing obligations, the advertiser may contract for a much higher delivery obligation than the advertiser actually desires. The consequences of such a contract could be to significantly reduce the number of slots assigned to the previously contracted advertisers, while potentially given the latecomer advertiser exactly the number of slots the advertiser actually desires.

*Carruthers* use of Capacity Forecaster 52 may make it less likely that an advertiser could contract for more advertisements that can be accommodated by the deliverer of advertisements. However, in *Carruthers*, once a contract is accepted, the list of scheduled advertisements is based on the daily goals of meeting the requirements of the contract, and is not based on when the corresponding delivery obligation was incurred. Thus, under the approach of *Carruthers*, a first advertiser could contract for a number of advertisements to be shown. At some later point in time, a second advertiser could contract for a much larger number of advertisements than the second advertiser actually desires. As *Carruthers* promotes advertisements in priority if they are behind their daily goals, it is possible that the second advertiser will receive exactly the number of slots the second advertiser actually desires, but the first advertiser will receive a much smaller portion of slots than the first advertisers contracted for, even though the first advertiser contracted before the second advertiser. As a result, the first advertiser may perceive such an arrangement to be unfair.

**Several Elements of Claim 1 are not Taught or Suggested by *Carruthers***

Claim 1 features the elements of:

“storing sequence information that indicates a sequence for a plurality of

advertisements, wherein each of said plurality of advertisements is associated with corresponding delivery criteria:  
from said subset of advertisements, selecting an advertisement to include in the slot based, at least in part, on relative positions, within said sequence, of the advertisements in said subset,  
wherein each advertisement of said plurality of advertisements has a corresponding delivery obligation, and  
wherein the relative position of advertisements in said sequence corresponds to when the corresponding delivery obligation was incurred”

The portion of *Carruthers* cited by the Office Action to show the above elements (paragraphs 34-35) is discussed above. This portion of *Carruthers* merely teaches the most-behind-first approach as discussed in the Applicants’ background. Specifically, *Carruthers* teaches that the order in which advertisements are shown is initially based on the calculated goals of each active advertising campaign (paragraph 34), and “if an advertisement gets behind in meeting its [daily] goals, it may be automatically promoted in priority” (paragraph 35). As explained above, such an approach may result in perceived unfairness by advertisers having advertisements whose delivery is adversely affected by the conduct of subsequent advertisers.

On the other hand, the above-quoted features of Claim 1 require selecting an advertisement to include in a slot based, at least in part, on the relative position of the advertisement, within in a sequence of advertisements, that corresponds to when the corresponding delivery obligation for the advertisements were incurred. In sharp contrast, *Carruthers* lacks any teaching or suggestion of selecting advertisements to include in a slot based, at least in part, on a sequence that corresponds to when the corresponding delivery obligations of the advertisements were incurred. Indeed, the Office Action fails to identify any portion of *Carruthers* that teaches such a sequence.

Moreover, as explained above, *Carruthers* teaches away from this feature by teaching

that the order in which advertisements are shown is initially based on the goals of active advertising campaigns, and that order may be subsequently revised based on the daily goals for each active advertising campaign. The daily goals of *Carruthers* are based not on when a delivery obligation was incurred, but how many times an advertisement was shown that day compared to the contracted number of advertisements. Thus, at no time are advertisements selected for inclusion in a slot based on when a delivery obligation was incurred in the approach of *Carruthers*.

The Office Action acknowledges that *Carruthers* prioritizes the queue of advertisements to be shown based on the number of impressions needed to be shown and feedback from the system regarding which ads have been shown, rather than on when the delivery obligation for an advertisement was incurred. In recognition of the deficiencies of *Carruthers*, the Office Action argues (a) *Carruthers* uses a “first-come, first served” approach in Capacity Forecaster 52, and (b) because Capacity Forecaster 52 uses a “first-come, first served” approach in Capacity Forecaster 52, it would have been obvious for *Carruthers* to use a “first-come, first served” approach in the master list of scheduled ads based upon when the advertisers contracted with the system of *Carruthers*.

The Office Action’s explanation as to why *Carruthers* suggests the features of Claim 1 requires that the actual teachings of *Carruthers* (the “acknowledged teachings”) be ignored in favor of what *Carruthers* might have taught (the “hypothetical teachings”), and the only motivation provided by the Office Action for interpreting *Carruthers* as teaching the hypothetical teachings, instead of the acknowledged teachings, is the Examiner’s belief that:

[*Carruthers*] does favorably treat newcomers by allowing them into the system and at the same time, not letting latecomers into the system where the latecomer’s ad requirements cannot be satisfied without stealing ad opportunities from earlier advertisers, due to the limited expected ad slot inventory. Examiner believes this provides proper motivation to have

included a first-come, first-serve policy whereby the queue can include prioritization based upon when the various advertisers agreed to ad contracts.

Thus, the Office Action does not identify any portion of *Carruthers*, or any other cited reference, which suggests that *Carruthers* teaches or suggests the hypothetical teachings, but instead, merely states that it is the Examiner's belief that the approach *Carruthers* could have included the hypothetical teachings, even though the Office Action acknowledges it did not.

The basis of the Examiner's belief is that *Carruthers* uses a "first-come, first served" approach in Capacity Forecaster 52<sup>1</sup>. This is not true. If the order in which a potential advertiser contacted the Capacity Forecaster 52 relative to other potential advertisers was the sole criteria in determining whether to accept the terms posed by the potential advertiser, then the utility of Capacity Forecaster 52 would be eviscerated. Instead of accepting any advertiser on a first-come, first-serve basis, Capacity Forecaster 52 is designed to predict whether the system will be able to deliver the proposed number and nature of impressions for a proposed advertising campaign prior to accepting the advertising campaign. If Capacity Forecaster 52 did operate solely on a first-come, first-serve basis, there would be no need for Capacity Forecaster 52 to predict whether the system will be able to deliver the proposed number and nature of impressions for a proposed advertising campaign, since each advertising campaign would be accepted on a first-come, first-serve basis.

Since Capacity Forecaster 52 does predict whether the system will be able to deliver

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<sup>1</sup> This is shown through the Office Action's allegation that "Carruthers et al put to use a well known concept of 'first-come first served' in that the first advertisers to make ad campaign contracts with the system of Carruthers et al are more likely to be accepted and to get their ads shown by the system than latecomers" (see page 3 of the Office Action). Applicants note out that signing a contract is quite different than selecting an advertisement for presentation. As a result, regardless of how Capacity Forecaster 52 operates, it is clear that Inventor Manager 51 and Delivery Manager 54 are expressly taught to operate differently than a first-come, first server basis, e.g., Inventor Manager 51 and Delivery Manager 54 reorder a list of advertisements to show based on the calculated goals of an advertising campaign, delivery feedback data, and/or queuing logic/algorithms that consider how many advertisements need to be shown to fulfill contractual obligations (See paragraphs 32-35 of *Carruthers*).

the proposed number and nature of impressions for a proposed advertising campaign, when a proposed advertising campaign is accepted, *Carruthers* operates under the assumption that the contracted number and nature of impressions for an advertising campaign will actually be able to be delivered. As such, the above-quoted claimed features of Claim 1 are not performed. Instead, Inventory Manager 51 generates a master delivery plan expected to fulfill delivery contracts with advertisers (paragraph 32 and 34). Delivery Manager 54 reorders and reprioritizes the master list of scheduled advertisements based upon delivery feedback data and queuing logic/algorithms (paragraph 35).

Indeed, since *Carruthers* does employ a Capacity Forecaster 52, there would be no need to maintain such a sequence for a plurality of advertisements, wherein the relative position of advertisements in the sequence corresponds to when the corresponding delivery obligation was incurred, since it has already been determined by Capacity Forecaster 52 that the proposed number and nature of impressions for an advertising campaign should be able to be delivered by the system of *Carruthers*. In other words, because *Carruthers* provides a check to ensure fairness *before* accepting the terms of the contract (i.e., the functions performed by Capacity Forecaster 52), there is no motivation in *Carruthers* to perform the steps of Claim 1, which are directed towards providing a check to ensure fairness *after* the terms of the contract are accepted.

Consequently, the above-quoted elements, including the element of “wherein the relative position of advertisements in said sequence corresponds to when the corresponding delivery obligation was incurred,” are not disclosed, taught, or suggested by *Carruthers*. As at least one element of Claim 1 is not disclosed, taught, or suggested by *Carruthers*, Claim 1 is patentable over the cited art and is in condition for allowance.



**Response to Office Action's Comment Regarding Effectiveness of the Approach  
of Pending Claims**

The Office Action states:

Applicant's noted disadvantage regarding an inflated number of required ads is not completely eliminated, but rather is eliminated only for those people agreeing to contracts before the inflator agreed to a contract. An inflator still steals ad opportunities from everyone behind the ad inflator (page 6)

Applicants respectfully disagree with the characterization of the Office Action regarding an "inflator" who "steals" ad opportunities. An advertiser is always free to contract for the delivery of as many advertisements as he or she wishes (and hopefully is capable of paying for). An entity contracting with advertisers (an "advertisement deliverer") for the delivery of advertisements would typically be happy to contract for as many advertisements as they may delivery to maximize their profit. Thus, the problem that the pending claims address is not whether a first advertiser may contract with the advertisement deliverer in such a way as to interfere with other advertisers who subsequently contract with the advertisement deliverer, but whether an advertiser may contract for a delivery obligation that causes advertisements of advertisers who contracted earlier, but with more realistic delivery obligations, to cease to be selected for inclusion within content delivered by the advertisement deliverer.

According to the approach of the pending claims, if an advertiser contracts for a number of advertisements that makes it unlikely that other advertisers, who subsequently contract with the advertiser deliverer, will have a substantial portion of the advertisements of their campaign delivered, all subsequent advertisers can be made aware of the availability of the advertisement deliverer, thereby allowing them to contract, if they so choose, for an amount of advertisements which the advertisement deliverer can actually deliver. However, a

subsequent advertiser, who contracted with the advertisement deliverer at a later point in time, cannot adversely affect the delivery of advertisements of an earlier advertiser who entered into a contractual obligation with the advertisement delivery at an earlier point in time.

**B. CLAIMS 3-10 ARE PATENTABLE OVER CARRUTHERS**

Claims 3-10 are dependent claims, each of which depends (directly or indirectly) on Claim 1. Each of Claims 3-10 is therefore allowable for the reasons given above for the claim on which it depends. In addition, each of Claims 3-10 introduces one or more additional limitations that independently render it patentable. However, due to the fundamental differences already identified, to expedite the positive resolution of this case a separate discussion of those limitations is not included at this time, although the Applicants reserve the right to further point out the differences between the cited art and the novel features recited in the dependent claims.

## **CLAIMS APPENDIX**

- 1     1.     (Previously presented) A method for determining which advertisements to include  
2             with electronic content delivered to users over a network, wherein the method  
3             comprises performing a machine-executed operation involving instructions, wherein  
4             the machine-executed operation is at least one of:  
5             A) sending said instructions over transmission media;  
6             B) receiving said instructions over transmission media;  
7             C) storing said instructions onto a machine-readable storage medium; and  
8             D) executing the instructions;  
9             wherein said instructions are instructions which, when executed by one or more  
10            processors, cause the one or more processors to perform the steps of:  
11            storing sequence information that indicates a sequence for a plurality of  
12            advertisements, wherein each of said plurality of advertisements is  
13            associated with corresponding delivery criteria;  
14            receiving a request to provide over said network a piece of electronic content  
15            that includes a slot for an advertisement;  
16            comparing slot attributes of said slot with delivery criteria of said  
17            advertisements to determine a subset of said plurality of  
18            advertisements which qualify for inclusion in said slot; and  
19            from said subset of advertisements, selecting an advertisement to include in  
20            the slot based, at least in part, on relative positions, within said  
21            sequence, of the advertisements in said subset,

22 wherein each advertisement of said plurality of advertisements has a  
23 corresponding delivery obligation, and  
24 wherein the relative position of advertisements in said sequence corresponds  
25 to when the corresponding delivery obligation was incurred.

1 2. (Cancelled).

1 3. (Original) The method of Claim 2 wherein the step of selecting an advertisement to  
2 include includes selecting a first advertisement instead of a second advertisement  
3 because the delivery obligation associated with the first advertisement was incurred  
4 before the delivery obligation associated with the second advertisement was incurred.

1 4. (Previously presented) The method of Claim 1 wherein:  
2 the method further comprises the step of determining which advertisements in the  
3 plurality of advertisements are associated with delivery obligations that are not  
4 on track to be satisfied; and  
5 the step of determining a subset of said plurality of advertisements which qualify for  
6 inclusion in said slot includes selecting for said subset only advertisements  
7 that are associated with delivery obligations that are not on track to be  
8 satisfied.

1 5. (Original) The method of Claim 1 wherein the step of comparing slot attributes of  
2 said slot with delivery criteria of said advertisements to determine a subset of said  
3 plurality of advertisements which qualify for inclusion in said slot is performed in  
4 response to receiving said request.

- 1 6. (Original) The method of Claim 5 wherein:  
2 the request was made by a specific user; and  
3 at least one of said slot attributes, which are used to determine which advertisements  
4 qualify for inclusion in said slot, corresponds to information associated with  
5 the specific user.
- 1 7. (Original) The method of Claim 1 wherein the piece of electronic content is a web  
2 page.
- 1 8. (Original) The method of Claim 1 wherein the piece of electronic content is a video  
2 stream.
- 1 9. (Previously presented) The method of Claim 1 further comprising the steps of:  
2 associating a priority class with each of said plurality of advertisements; and  
3 filtering out of said subset all advertisements that have a priority class that is lower  
4 than the priority class of any other advertisement that belongs to said subset.
- 1 10. (Original) The method of Claim 1 further comprising the step of filtering out of said  
2 subset all advertisements that are associated with delivery obligations that are on track  
3 to be satisfied.
- 1 11-20. (Cancelled).

**EVIDENCE APPENDIX**

None.

**RELATED PROCEEDINGS APPENDIX**

None.

The rejections to Claims 1 and 3-10 made under 35 U.S.C. § 101 and 35 U.S.C. § 103(a) lack the requisite factual and legal basis. Appellants respectfully submit that the imposed rejections to Claims 1 and 3-10 made under 35 U.S.C. § 101 and 35 U.S.C. § 103(a) are not viable and respectfully solicit the Honorable Board to reverse each of the imposed rejections made under 35 U.S.C. § 101 and 35 U.S.C. § 103(a).

Respectfully submitted,

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On August 18, 2006 By

  
Angelica Maloney